



Arizona House of Representatives

Fifty-First Legislature

**The Water Resources
Development Commission
(WRDC)**

Background

- **Established by the Legislature in 2010 (HB 2661).**
- **Charged with assessing Arizona's demand for water and the supplies available to meet demand for the next 25, 50 and 100 years.**
- **Composed of 17 commission members, 9 ex-officio members, and 7 advisory members.**
- **Final report deadline: October 2011**
 - **Submitted to the Governor, Senate President and House Speaker.**
- **Sunsets September 30, 2012**

WRDC Member Representation

- Agriculture (statewide)
- Arizona Municipal Water Users Association
- Central Arizona Water conservation District
- Cochise County/Southern Arizona
- Industry (statewide)
- Inter Tribal Council of Arizona
- Mohave County/Northwest Arizona
- Navajo Nation
- Northeastern Arizona
- Northern Arizona Municipal Water Users Association
- Pinal County
- Salt River Project
- Southern Arizona Water Users Association
- Southwest Colorado River Communities
- The Nature Conservancy
- City of Phoenix
- City of Tucson

WRDC

- Five committees were formed in order to meet the statutory obligations of the WRDC:
 - Population Committee
 - Water Supply and Demand Committee
 - Environmental Committee
 - Finance Committee
 - Legislative Recommendations Committee

Final Report

October 2011

- **Projected that the total statewide demand will range from a low of 8.1 million AF in 2035 to a high of 10.6 million AF in 2110.**

(WRDC Final Report Page iv)

Final Report

October 2011

- **Specified that decisions must be made regarding what:**
 - **solutions will be most effective in discrete regions.**
 - **funding mechanisms are available.**
 - **legislative changes are necessary.**

Final Report

October 2011

- **Recommended that the WRDC be given until the sunset date (9/30/12) to continue development, evaluation and prioritization of potential solutions or legislative proposals.**

(WRDC Final Report Page 10)

WRDC

Legislative Recommendations Committee

- WRDC directed the Legislative Recommendations Committee to continue consideration and develop final legislative recommendations for funding future water supply development.
- Full report deadline: August 1, 2012

WRDC

Legislative Recommendations Committee

- Began meeting late 2011.
- Developed Interim Memorandum.
- Presented to WRDC in April 2012.
- Detailed recommendations and summarized a **WRDC Project Proposal Matrix.**

WRDC Project Proposal Matrix

- Project list of 34 potential water supply development projects.
- Matrix intended to be used to understand scale, magnitude and projected timing of the types of projects being considered statewide.
- Projected that the cost of potential statewide water supply development projects over the next 50+ years would exceed \$3 billion.

WRDC

SUPPLEMENTAL REPORT

September 2012

Recommendations:

- Authorize the formation of Regional Water Augmentation Authorities (RWAAAs)
 - Voluntary organizations of existing governmental and other entities formed to assist local communities develop future water supplies and infrastructure to meet future demand.

(Supplemental Report, p. 1)

Recommendations:

Membership/Formation:

- Voluntary
- Two or more entities
- One must be a public agency
- Other entities may be municipalities, private water companies, other water entities, counties, private entities and Indian tribes.
- Must have clear public purpose
- Formed on the adoption of resolutions by each entity

(Supplemental Report, p. 2-3)

Recommendations:

Oversight:

- Board of Directors of representatives of members

(Supplemental Report, p. 3)

- Political subdivision and municipal corporation subject to open meeting laws and public records statutes

(Supplemental Report, p. 3)

Recommendations:

POWERS and DUTIES:

- Plan, design, construct, own and operate water projects
- Lawfully acquire and sell water rights
- Acquire and sell water (except to customers of municipal providers)
- Treat water, unless treatment conflicts with another entity's jurisdiction and the entity did not consent to treatment by the RWAA.
- Vested right protections apply
- Limited power of eminent domain

Recommendations:

- Authorize the RWAA to obtain funding from revenue bonds, user fees, membership fees, WIFA funds, grants, proceeds from loans or advances, capital contributions from private parties, and other sources except for ad valorem taxes and general obligation bonds**

(Supplemental Report, p. 5)

Regional Water Augmentation Authorities House Bill 2338



Discussion of Major Issues

–Definition of “augmentation”

- Not defined by HB 2338. However a RWAA may:
 - Acquire, hold, and assign water rights.
 - Acquire and sell water.
- “All actions taken by the Authority under this chapter shall be in accordance with state and federal law.”

(HB 2338, p. 4, lines 33-34)

–Formation: similar to the way other water entities are formed

- Mojave County Water Authority and Pinal County Augmentation Authority are examples of similar entities.
- Authority must:
 - Give notice to the BOS in each county in which a proposed use of water from the Authority will be located of the Authority's formation and file organizational documents (membership, water issues to be addressed by the Authority, proposed locations of use of water).
 - Publish a notice of the Authority's formation.
- Any aggrieved person may protest formation by filing action in Superior Court.

(HB 2338, p.1, lines 25-45; p. 2, lines 1-15)

–Oversight

- Provided by the Board of Directors of the RWAA.
 - Municipal and County members have elected governing bodies.
 - Private water company rates are regulated by the Arizona Corporation Commission.

(HB 2338, p. 3-5)

- Authority is a political subdivision subject to Open Meeting Law and public records requirements.

(HB 2338, p. 3, lines 40-41)

- “All actions taken by the Authority under this chapter shall be in accordance with state and federal law.”

(HB 2338, p. 4, lines 33-34)

–Eminent Domain

The Authority, for the benefit of its members, may:

“16. Exercise the power of eminent domain pursuant to Title 12, Chapter 8, article 3 for purposes of condemning real property necessary for pipelines, infrastructure and easements for Authority water projects. The Authority shall not exercise the power of eminent domain to condemn water, water rights, wells, existing water systems, land owned by another governmental entity or land for purposes of drilling wells or to acquire electrical facilities.” (emphasis added)

–Potential conflict with existing water entities

An Authority may:

- “4. Acquire and sell water, unless the sale of water is directly to customers of a municipal provider as defined by section 45-561 and the municipal provider did not consent to the sale of water by the Authority.
- 5. Treat water, unless treatment conflicts with another entity’s jurisdiction and the entity did not consent to treatment by the Authority.”

(HB 2338, p. 4, lines 1-5)

–Parameters or boundaries of RWAA

- Connected by infrastructure (a pipeline), not geographic or political boundaries

–Terminating Authority Membership

- Authority consisting of two members—Dissolution
(HB 2338, p. 3, lines 1-12)
- Authority consisting of more than two members—
not addressed in the bill.

END OF PRESENTATION